

## REMARKS

Claims 1-20 are pending.

Claims 15-19 have been allowed.

Claims 1-14 and 20 were rejected because they were allegedly directed to non-statutory subject matter. However, the Examiner stated that claims 1-14 and 20 would be allowed if rewritten to overcome the outstanding issue with regards to 35 U.S.C. 101.

Claims 1, 9 and 20 – the sole independent claims among the rejected claims – have been amended. As amended, it is respectfully submitted that claims 1-14 and 20 meet the requirements of 35 U.S.C. 101. Reconsideration of their rejection is respectfully requested.

Independent claim 1 has been amended to be directed to a method for calculating and sending production orders, based on dealer orders, that are optimized for manufacturing plant output. The claim now specifically requires that the production orders be sent to the manufactures, a new limitation that is supported by the original specification. *See* FIG. 3 (call out 322); ¶ 59 (last sentence).

The standard for determining statutory subject matter of a computer-related process is now well established: “[I]t must produce a ‘useful, concrete and tangible result.’ *State Street*, 149 F. 3d at 1373, 47 USPQ2d at 1601-02.” MPEP 2106(A). That standard is met here.

First, the claimed invention produces a “useful . . . result.” To meet this requirement, “the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible.” Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (“Guidelines”) at p. 20. Amended claim 1 is directed to a “specific” utility – a method for generating and sending production orders. It is also directed to a “substantial” utility. The subject invention may be of substantial benefit to businesses that need to determine production orders based on submitted

orders when there are constraints on the production facilities. Finally, it is directed to a “credible” utility. The invention enhances the ability of manufactures to better meet the orders that are provided. To be sure, not even the Examiner appears to dispute that this requirement is met.

Second, the invention produces a “concrete . . . result”. “Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable . . . .” Guidelines at p. 22. Again, this standard is met. The process of claim 1 is based on “performing a calculation using a linear expression,” an operation using the science of mathematics. And again, not even the Examiner appears to dispute that this requirement is met.

Finally, the invention produces a “tangible . . . result.” To meet this requirement, the claim “must set forth a practical application . . . to produce a real-world result.” Guidelines at p. 21. Amended claim 1 does this. It sets forth the practical application of determining production orders and the real word result of generating and sending those production orders to the manufactures.

To be sure, it is not necessary for the claimed process to produce a result that can be touched and felt. Indeed, this very argument was raised and rejected by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir. 1999).

In *AT&T*, the defendant argued that the following claim was non-statutory because it lacked a “physical limitation”:

1. A method for use in a telecommunications system in which interexchange calls initiated by each subscriber are automatically routed over the facilities of a particular one of a plurality of interexchange carriers associated with that subscriber, said method comprising the steps of:

generating a message record for an interexchange call between an originating subscriber and a terminating subscriber, and

including, in said message record, a primary interexchange carrier (PIC) indicator having a value which is a function of whether or not the interexchange carrier associated with said terminating subscriber is a predetermined one of said interexchange carriers.

172 F.3d at 1354.

The Federal Circuit squarely rejected the argument that the absence of “physical limitations” rendered the claim non-statutory:

Excel also contends that because the process claims at issue lack physical limitations set forth in the patent, the claims are not patentable subject matter. This argument reflects a misunderstanding of our case law. . . . Since the claims at issue in this case are directed to a process in the first instance, a structural inquiry is unnecessary.

[T]his type of physical limitations analysis seems of little value because "after Diehr and Alappat, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing [\*\*23] numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'"

172 F.3d at 1359 (emphasis added).

The Federal Circuit went on to hold that this claim – a claim that raises even more difficult statutory subject matter issues that are presented here – was statutory:

It is clear from the written description of the '184 patent that AT&T is only claiming a process that uses the Boolean principle in order to determine the value of the PIC indicator. The PIC indicator represents information about the call recipient's PIC, a useful, non-abstract result that facilitates differential billing of long-distance calls made by an IXC's subscriber. Because the claimed process applies the Boolean principle to produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face the claimed process comfortably falls within the scope of § 101.

172 F.3d at 1358 (emphasis added).

It is clear that claim 1 here produces just as much of a “useful, concrete and tangible result” as did the claim that the Federal Circuit held was statutory in *AT&T*.

Amended claim 9<sup>1</sup> is similarly directed to a method for generating a manufacturing plant production order based on a set of vehicle orders and is also statutory for the reasons stated above. Indeed, it is even closer to the claim format that the Federal Circuit found to be statutory in *AT&T* after pointing out that "the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'" 172 F.3d at 1358.

Amended claim 20<sup>2</sup> is directed to a computer-readable storage media that contains software that, among other actions, generates a manufacturing plant production order. It too is therefore statutory for the same reasons as have been discussed above in connection with claim

1. It is also statutory for an additional reason: It is directed to an article of manufacture:

[A] claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory.

MPEP 2106(IV)(B)(1)(a) (emphasis added).

The remaining claims are all dependent on one of the independent claims that are discussed above and are also therefore directed to statutory subject matter for at least the reasons stated above.

## CONCLUSION

For the foregoing reasons, it is respectfully submitted that this case is now in condition for allowance and early notice of same is earnestly requested.

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<sup>1</sup> The amendment adds the limitation of "generating the manufacturing plant production order." This is also supported by the original specification. *See* FIG. 3 (call out 322); ¶ 59 (last sentence).


<sup>2</sup> The amendment adds the limitation of "the manufacturing plant production order is generated." This is also supported by the original specification. *See* FIG. 3 (call out 322); ¶ 59 (last sentence).

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To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 501946 and please credit any excess fees to such deposit account.

Respectfully submitted,

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